



County of Los Angeles  
**CHIEF ADMINISTRATIVE OFFICE**

713 KENNETH HAHN HALL OF ADMINISTRATION • LOS ANGELES, CALIFORNIA 90012  
(213) 974-1101  
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DAVID E. JANSSEN  
Chief Administrative Officer

Board of Supervisors  
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First District

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Second District

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Fourth District

MICHAEL D. ANTONOVICH  
Fifth District

December 19, 2006

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, CA 90012

Dear Supervisors:

**FIVE-YEAR LEASE  
DEPARTMENT OF MENTAL HEALTH  
2620 SOUTH CALIFORNIA AVENUE, MONROVIA  
(FIFTH DISTRICT) (3 VOTES)**

**IT IS RECOMMENDATED THAT YOUR BOARD:**

1. Approve and instruct the Chairman to sign the attached five-year Lease with Dootson Property Management, L.P., (Landlord) for the Department of Mental Health (DMH) to occupy 4,500 rentable square feet of office space at 2620 South California Avenue, Monrovia, at a maximum initial annual rental cost of \$136,492. The rental and related costs are to be funded under the Mental Health Services Act (MHSA) and matching Medi-Cal funds.
2. Authorize the Director of the Internal Services Department (ISD) and DMH to acquire furniture at a cost not to exceed \$112,500.
3. Authorize the Director of the ISD and DMH to acquire telephone, data, and low voltage systems at a cost not to exceed \$126,000. The telephone, data, and low voltage costs shall be funded via ISD's telephone and utilities budget.
4. Consider the attached Negative Declaration together with the fact that no comments were received during the public review process, find that the project will not have a significant effect on the environment, find that the Negative Declaration reflects the independent judgment of the County to approve the Negative Declaration, find that the project will have no adverse effect on wildlife resources, and authorize the CAO to complete and file a Certificate of Fee Exemption for the project.

5. Approve the project and authorize the CAO, DMH and ISD to implement the project. The Lease will be effective upon approval by your Board, but the term and rent will commence upon completion of the Tenant Improvement (TI) by the Landlord and acceptance thereof by the County.

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

DMH recently secured funds under the State Proposition 63 (MHSA). As a condition of funding, DMH is mandated to formulate a plan for the expeditious implementation of various mental health services across the County.

The lease proposed herein will provide DMH with a satellite facility for the Adult Systems of Care (ASOC)-Full Service Partnership program to augment the existing Mental Health facility at 330 East Live Oak Avenue, Arcadia, located within three miles of the proposed facility. By allowing for the creation of the satellite office as proposed, DMH will be able to provide enhanced services in a more effective manner to its target population.

The office will have some public intake by appointment and is in close proximity to public transportation routes. The proposed office will house 17 employees with parking adjacent to the facility.

The ASOC-Full Service Partnership programs are an outpatient direct service with an emphasis on supportive and recovery-based services that assist adult clients with a serious mental illness to live independently and become employed and live more enriching lives. These programs provide the most intense form of outpatient mental health service available to clients with mental illness who have extensive histories of homelessness, incarcerations and psychiatric hospitalizations. The proposed satellite location for ASOC supports the County's goal to enhance consumer-citizens quality of life and improve overall community safety and well-being by encouraging appropriate community functioning as well as reducing disruptive and isolating incidents within the community.

As existing Mental Health facilities are currently operating at full capacity and new staff cannot be accommodated at existing locations without a compromise of mental health services, it has been determined that the CAO would obtain ancillary locations as close as possible to existing operations in order to facilitate the new MHSA-funded and mandated services.

**IMPLEMENTATION OF STRATEGIC PLAN GOALS**

The Countywide Strategic Plan directs that we provide service excellence (Goal 1) and assist families well-being (Goal 5). In this case, we are providing an innovative, supportive mental health program designed to enhance client recovery potentially reducing costly re-hospitalization while aiding clients to return to the work force as contributing members of the community. Compliance with the County's Strategic Asset Management Principles is outlined in Attachment A.

**FISCAL IMPACT/FINANCING**

The maximum initial annual rental cost will be \$136,492, if all of the reimbursable TI funds are used.

2620 California Avenue, Monrovia	Proposed Lease
<b>Term</b>	5 Years
<b>Total Area</b>	4,500 rentable square feet (sq.ft.)
<b>Annual Base Rent</b>	\$70,200 (\$15.60 per sq. ft.)
<b>Base Tenant Improvement (TI) Allowance</b>	\$25,000 (\$5.56 per sq. ft.)
<b>Additional Tenant Improvement (TI) Allowance</b>	\$175,000 (\$38.89 per sq. ft.)
<b>Annual TI Reimbursement*</b>	\$66,292
<b>Maximum Annual Rent**</b>	\$136,492
<b>Cancellation</b>	Anytime after 4 <sup>th</sup> Year, 2 months notice
<b>Parking (included in Rent)</b>	13 spaces
<b>Option to Renew</b>	None
<b>Rental Adjustment</b>	Annually, with min. of 2% and max. of 6%

\*\$175,000 represents the maximum amount of reimbursable TI funds available for this project. If this entire amount is expended and amortized over 36 months at the proposed rate of eight and one-half percent, the annual TI reimbursement amount will be \$66,292, which equates to approximately \$14.73 per square foot per year.

\*\*Maximum annual rent is the sum of annual base rent and annual TI reimbursement.

Sufficient funding for the proposed lease cost is included in the 2006-07 Rent Expense Budget and will be billed back to DMH. DMH has allocated sufficient funds in its 2006-07 operating budget to cover the projected lease costs. The costs associated with the proposed lease will be fully funded using MHSAs and Medi-Cal funds.

Based upon a survey of similar properties within the specified area, staff has determined that the rental range including parking for a modified gross service lease is between \$15.00 and \$21.00 per square foot per year. Thus, the proposed base annual rental rate of \$15.60 per square foot is within the rental range for the area.

**FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

The proposed five-year lease agreement comprises 4,500 square feet of office space, along with 13 parking spaces. The proposed lease contains the following provisions:

- The term commences upon completion of the TI by the landlord, and acceptance thereof by the County. Five years thereafter, the term expires.
- This is a modified gross service lease whereby the Landlord is responsible for property taxes and insurance along with the maintenance of the structural elements of the building as well as the HVAC and sprinkler systems, while the County is responsible for utility charges and janitorial services.
- A base TI allowance in the amount of \$25,000 is included in the rent.
- A reimbursable TI allowance totaling \$175,000 is included in the proposed leased and it is payable after substantial completion of the TI work, via monthly amortization payments at an amortization rate of eight and one-half percent over the initial 36 months of the term of the lease.
- There is a cancellation provision allowing the County to cancel anytime after the 4<sup>th</sup> year upon two months advance notice to the Landlord.
- The rent includes parking for 13 vehicles. Bus routes are available in walking distance to the proposed facility giving staff and clients convenient public transportation options.
- There is a Consumer Price Index (CPI) annual rental adjustment provision whereby the rent will be adjusted based on changes in the CPI with a minimum annual adjustment of two percent and a maximum annual adjustment of six percent.

CAO Real Estate staff surveyed the cities of Arcadia and Monrovia, based on the search area parameters provided by DMH, to determine the availability of comparable and more economical sites. Staff was unable to identify any sites in the surveyed areas that could accommodate this requirement more economically. Attachment B shows all County-owned and leased facilities within the search areas for these programs. There are no County-owned or leased facilities available for this program.

The City of Monrovia has been formally advised of the proposed lease pursuant to Government Code 25351 and 65402 Notification Letters that were forwarded to the City on April 14, 2006. This office received a written response from the City indicating the proposed lease is acceptable and consistent with its General Plan.

The Honorable Board of Supervisors  
December 19, 2006  
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The Department of Public Works has completed a seismic inspection of the facility and found it suitable for the County's occupancy. The subject facility is not suitable to support an on-site child care facility. Construction of the tenant improvements will be completed in compliance with current Americans with Disabilities Act (ADA) accessibility regulations and building codes. In addition, the landlord will ensure ADA path of travel requirements are also met.

### **ENVIRONMENTAL DOCUMENTATION**

The CAO has made an initial study of environmental factors and has concluded that this Project will have no significant impact on the environment and no adverse effect on the wildlife resources. Accordingly, a Negative Declaration has been prepared and a notice posted at the site as required by the California Environmental Quality Act (CEQA) and the California Administrative Code, Section 15072. Copies of the completed Study, the resulting Negative Declaration, and the Notice of Preparation of Negative Declaration as posted are attached. No comments to the Negative Declaration were received. A fee must be paid to the State Department of Fish and Game when certain notices are filed with the Registrar-Recorder/County Clerk. The County is exempt from paying this fee when your Board finds that a project will have no impact on wildlife resources.

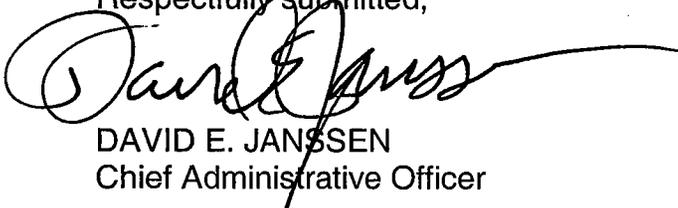
### **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

The proposed Lease will provide the necessary office space for this County requirement. In accordance with your Board's policy on the housing of any County offices or activities, DMH concurs with this recommendation.

### **CONCLUSION**

It is requested that the Executive Officer, Board of Supervisors, return two originals of the executed lease agreement and the adopted, stamped Board letter, and two certified copies of the Minute Order to the CAO, Real Estate Division at 222 South Hill Street, 4th Floor, Los Angeles, CA 90012 for further processing.

Respectfully submitted,



DAVID E. JANSSEN  
Chief Administrative Officer

DEJ:WLD  
CEM:KW:hd

Attachments (3)  
c: County Counsel  
Department of Mental Health  
2620California.b

**DEPARTMENT OF MENTAL HEALTH**  
**2620 SOUTH CALIFORNIA AVENUE, MONROVIA**  
 Asset Management Principles Compliance Form<sup>1</sup>

1. Occupancy		Yes	No	N/A
A	Does lease consolidate administrative functions? <sup>2</sup>			X
B	Does lease co-locate with other functions to better serve clients? <sup>2</sup> <b>Satellite office within three miles of existing DMH facility.</b>		X	
C	Does this lease centralize business support functions? <sup>2</sup>			X
D	Does this lease meet the guideline of 200 sf of space per person? <sup>2</sup> <b>Lease represents 207 sf per person. Excess due to preexisting layout of the building and space was not divisible.</b>		X	
2. Capital				
A	Is it a substantial net County cost (NCC) program?		X	
B	Is this a long term County program?	X		
C	If yes to 2 A or B; is it a capital lease or operating lease with option to buy ?		X	
E	If no, are there any suitable County-owned facilities available?		X	
F	If yes, why is lease being recommended over occupancy in County-owned ?			X
G	Is Building Description Report attached as Attachment B?	X		
H	Was build-to-suit or capital project considered? <b>Build-to-suit and capital projects are cost-prohibitive for projects of this size.</b>		X	
3. Portfolio Management				
A	Did department utilize CAO Space Request Evaluation (SRE)?	X		
B	Was the space need justified?	X		
C	If a renewal, was co-location with other County departments considered ?			X
D	Why was this program not co-located?			
	1. The program clientele requires a "stand alone" facility.			
	2. <b>X</b> No suitable County occupied properties in project area.			
	3. <b>X</b> No County-owned facilities available for the project.			
	4. Could not get City clearance or approval.			
	5. The Program is being co-located.			
E	Is lease a full service lease? <sup>2</sup> <b>Landlord is unwilling to provide and pay for utilities and janitorial.</b>		X	
F	Has growth projection been considered in space request?	X		
G	Has the Dept. of Public Works completed seismic review/approval?	X		
	<sup>1</sup> As approved by the Board of Supervisors 11/17/98			
	<sup>2</sup> If not, why not?	Please <b>bold</b> any written responses		

## ATTACHMENT B

**SPACE SEARCH, CITIES OF ARCADIA AND MONROVIA  
DEPARTMENT OF MENTAL HEALTH**

LACO	FACILITY NAME	ADDRESS	GROSS SQ. FT.	NET SQ. FT.	OWNERSHIP	AVAILABLE SQ. FT.
3849	ARBORETUM-ADMIN BLDG	301 N. BALDWIN AVE, ARCADIA 91007	3020	1344	OWNED	NONE
4300	ARBORETUM-LIBRARY	301 N. BALDWIN AVE, ARCADIA 91007	10304	8860	OWNED	NONE
Y429	DPW-DISTRICT OFFICE	125 S. BALDWIN AVE, ARCADIA 91006	6570	4874	OWNED	NONE
3240	MONROVIA COURTHOUSE	300 W. MAPLE AVE, MONROVIA 91016	14639	9426	OWNED	614
3562	DHS-MONROVIA HEALTH CTR	330 W. MAPLE AVE, MONROVIA 91016	7786	4970	OWNED	NONE
6166	MONROVIA COURTHOUSE	300 W. MAPLE AVE, MONROVIA 91016	1485	1193	OWNED	1193
Y545	MONROVIA COURTHOUSE	300 W. MAPLE AVE, MONROVIA 91016	1618	539	OWNED	539
4095	ISD-DIST 5 ADMIN OFFICE	1703 S. MOUNTAIN AVE, MONROVIA	2183	1666	OWNED	1666
A060	LIVE OAK LIBRARY	4153 E. LIVE OAK AVE, ARCADIA 91006	2891	2170	LEASED	NONE
0229	AG COMM-HDQTR	12300 LOWER AZUSA RD, ARCADIA 91706	35878	32290	OWNED	NONE

DATE POSTED – October 24, 2006

**NOTICE OF PREPARATION OF NEGATIVE DECLARATION**

This notice is provided as required by the California Environmental quality Act and California Administrative Code Title 14 Division 6, Section 15072 (a) (2) B.

A Negative Declaration has been prepared for this site based on an Initial Study which consists of completion and signing of an Environmental Information Form showing background information as follows:

1. Name of Proponent - County of Los Angeles  
Chief Administrative Office

2. Address/Phone No. - 222 South Hill Street, 3<sup>rd</sup> Floor  
Los Angeles, California 90012

<u>Agent</u>	<u>Telephone</u>
Kevin Webb	(213) 974-4170

3. Date Information Form Submitted – October 24, 2006

4. Agency Requiring Information Form - Los Angeles County  
Chief Administrative Office

5. Name of Project, if Applicable -

6. Address of Facility Involved – 2620 South California Avenue  
Monrovia, CA 91016

**ORIGINAL FILED**

OCT 24 2006

**LOS ANGELES, COUNTY CLERK**

Interested parties may obtain a copy of the Negative Declaration and the completed Environmental Information Form/Initial Study by contacting the Real Property Agent indicated under 2. above and referring to the proposal by name or to the facility by address.

Si necesita informacion en espanol, por favor de comunicarse con el agente designado, para asistencia en obtener una traduccion.

**COUNTY OF LOS ANGELES  
CHIEF ADMINISTRATIVE OFFICE**

**NEGATIVE DECLARATION**

I. Location and Description of the Project

The proposed project is for the County of Los Angeles to lease facilities at 2620 South California Avenue, Monrovia, California, which will be used by the Department of Mental Health for administrative purposes. The facilities, located in the Fifth Supervisorial District approximately 17 miles from the Los Angeles Civic Center, include 4,500 square feet of office space. The County shall have use of 13 off-street parking spaces for Mental Health staff and ample parking for visitors. The Landlord has no expansion plans beyond the scope of this project.

II. Name of Project Proponent

County of Los Angeles  
Chief Administrative Office  
222 South Hill Street, 3<sup>rd</sup> Floor  
Los Angeles, CA 90012

III. Finding of No Significant Effect

Based on the attached initial study, it has been determined that the project will not have a significant effect on the environment.

IV. Mitigation Measures

None required.

## INITIAL STUDY

### I. Location and Description of Project

These proposed leased premises are located at 2620 South California Avenue, Monrovia, located in the Fifth Supervisorial District approximately 17 miles northeast of the Los Angeles Civic Center and 2 miles south of the 210 freeway. (See attached map)

The building to be used is owned by Dootson Family Trust and is intended for use as office space. Located at the site are 13 exclusive off-street parking spaces for the County's use and ample public parking located on the surface streets surrounding the area.

This project consists of leasing this facility for 5 years in which will be located the Department of Mental Health Adult Systems of Care Office. It is anticipated that an average of 10-15 employees will be occupying the premises with the maximum employee occupancy anticipated to be 13 per day. In addition to the employees, it is anticipated that an average of 4-6 members of the public will be visiting the facility, daily, to receive mental health services. No expansion of existing premises will occur for this project and no alterations, except for interior furnishings, will be performed for this project.

### II. Compatibility with General Plan

This project site is currently designated as light manufacturing use in the City of Monrovia General Plan and zoned MOM-P/QP. The most recent tenant of the subject space was a high-density, data processing center. The proposed project would be consistent with the prior uses.

### III. Environmental Setting

The project site is located in an area of residential, retail and commercial type facilities. The site includes approximately 23,866 square feet of developed property. The site is bordered by Myrtle Avenue on the west side, Wyland Way on the north side, Flagstone Avenue on the east side and Novice Lane on the south side.

### IV. Identification of Environmental Effects

- A. The impact of the proposed project on existing land forms will be negligible as no reshaping of the soil nor excavation nor foundations, utility lines, sewer lines or water lines will be necessary.
- B. The project will not conflict with adopted environmental plans and goals of the City of Monrovia.

- C. The project will not have a substantial demonstrable negative aesthetic effect on the site. The existing facility will be continued to be maintained as part of the lease arrangement.
- D. No rare or endangered species of animal or plant or the habitat of the species will be affected by the project. Nor will it interfere substantially with the movement of any resident fish or wildlife species or migratory fish or wildlife species.
- E. The project will not breach published national, state or local standards relating to solid waste or litter control.
- F. Development will not substantially degrade water quality, contaminate water supply, substantially degrade or deplete ground water resources, or interfere substantially with ground water recharge.
- G. There are no known archeological sites existing at the project site.
- H. The proposed project will not induce substantial growth or concentration of population.
- I. The project will not cause a substantial increase to existing traffic. Nor will it affect the carrying capacity of the present street system. This is a government use of private property for administrative purposes. The County's use is in conformance with prior uses approved by the City of Monrovia. Most visitors to the proposed office will frequent the facility via public transportation.
- J. The project will not displace any persons from the site.
- K. The project will not substantially increase the ambient noise levels to adjoining areas. Noise generated by the proposed County use does not exceed that previously experienced in the area when occupied by private tenants.
- L. The proposed developed project will not cause flooding, erosion or siltation.
- M. The project will not expose people or structures to major geologic hazards.
- N. The project will not expend a sewer trunk line. All necessary utilities are available currently to the facility.
- O. No increased energy consumption is anticipated by the County's use of the premises.

- P. The project will not disrupt or divide the physical arrangement of established community; nor will it conflict with established recreational, educational, religious or scientific uses of the area.
- Q. No public health or safety hazard or potential public health or safety hazard will be created by this project.
- R. The project will not violate any ambient air quality standard, contribute substantially to an existing or projected air quality violation, or expose sensitive receptors to substantial pollutant concentrations.

V. Discussions of Ways to Mitigate Significant Effects

The proposed project is not expected to create any significant effects on the environment. To mitigate any effects upon the surrounding community the following measures will be implemented:

- A. None Required.

VI. Initial Study Preparation

This study was prepared by Kevin Webb of the Los Angeles County Chief Administrative Office, Real Estate Division. This study was completed on October 23, 2006.

**COUNTY OF LOS ANGELES**  
**CHIEF ADMINISTRATIVE OFFICE**  
**LEASE AGREEMENT**

**DEPARTMENT: MENTAL HEALTH, as Tenant**

**LANDLORD: DOOTSON PROPERTY MANAGEMENT, L.P.**

**2620 South California Avenue Suites C-F, Monrovia**

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COUNTY OF LOS ANGELES  
CHIEF ADMINISTRATIVE OFFICE  
LEASE AGREEMENT

THIS LEASE AND AGREEMENT (the "Lease"), is made and entered into in duplicate original as of the \_\_\_\_\_ day of \_\_\_\_\_, 2006 by and between DOOTSON PROPERTY MANAGEMENT, L.P. ("Landlord"), and COUNTY OF LOS ANGELES, a body politic and corporate ("Tenant").

Landlord and Tenant agree:

1. BASIC LEASE INFORMATION. The following terms as used herein shall have the meanings provided in this Section 1, unless otherwise specifically modified by provisions of this Lease:

(a) Landlord's Address for Notice: DOOTSON PROPERTY MANAGEMENT, L.P.  
Attn: Jim Dootson  
11629 Clark Street  
Arcadia, CA 91006

(b) Tenant's Address for Notice: Board of Supervisors  
Kenneth Hahn Hall of Administration,  
Room 383  
500 West Temple Street  
Los Angeles, California 90012

With a copy to:

Chief Administrative Office  
Real Estate Division  
222 South Hill Street, 3<sup>rd</sup> Floor  
Los Angeles, California 90012  
Attention: Director of Real Estate

(c) Premises: Approximately 4,500 square feet in the Building (defined below) as shown on Exhibit A attached hereto and commonly referred to as Suite C, D, E and F.

- (d) Term: Five (5) years commencing upon Tenant's Acceptance of the Premises as defined in Section 4(a) (the "Commencement Date"); and terminating at midnight on the day before the Fifth anniversary of the Commencement Date (the "Termination Date"), subject to earlier termination by Tenant as provided herein. The phrase "Term of this Lease" or "the Term hereof" as used in this Lease, or words of similar import, shall refer to the initial Term of this Lease together with any additional Extension Term for which an option has been validly exercised.
- (e) Projected Commencement Date: May 1, 2007
- (f) Commencement Date: To be determined.
- (g) Irrevocable Offer Expiration Date: December 1, 2006
- (h) Base Rent: \$5,850.00 per month (which is based upon a rental rate of \$1.30 per rentable square foot (adjustable as provided in Section 5 hereof.))
- (i) Early Termination Notice Date: The fourth anniversary date of the Commencement Date."
- (j) Rentable Square Feet in the Premises: 4,500
- (k) Use: General office use or for any other lawful purposes not incompatible with other uses in the Building.
- (l) Initial Departmental Use: Mental Health
- (m) Parking Spaces: Thirteen (13)

- (n) Normal Working Hours: 7:00 a.m. to 7:00 p.m., Monday through Friday and 9:00 a.m. to 2:00 p.m. Saturday, except New Year's Day, President's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Day (on the days such holidays are generally observed) and such other holidays as are generally recognized by the County of Los Angeles, California.
- (o) Asbestos Report: N/A
- 1.2 Defined Terms Relating to Landlord's Work Letter
- (a) Base Tenant Improvement Allowance \$25,000 or \$5.56 per square foot
- (b) Additional Tenant Improvement Allowance \$175,000 or \$38.89 per square foot
- (c) Maximum Change Order Allowance \$0
- (d) Additional Tenant Improvement and Change Order Amortization Rate: 8.5% per annum
- (e) Base Rent Reduction N/A
- 1.3 Exhibits to Lease:
- Exhibit A - Floor Plan of Premises
  - Exhibit B - Commencement Date Memorandum
  - Exhibit C - Community Business Enterprises Form
  - Exhibit D - Tenant Estoppel Certificate
  - Exhibit E - Subordination, Non-disturbance and Attornment Agreement
  - Exhibit F - Request for Notice
  - Exhibit G - Memorandum of Refurbishment Costs

## 2. PREMISES

(a) Landlord does hereby lease to Tenant, and Tenant does hereby lease from Landlord, upon the terms and conditions herein set forth, the Premises described in Section 1 and Exhibit A attached hereto.

(b) Landlord and Tenant acknowledges the space has been marketed at the above-indicated rental amount and in the event of subsequent physical measurements, Landlord and Tenant agree there will be no adjustment made to either the square footage or the Base Rent.

3. COMMON AREAS. Tenant may use the following areas ("Common Areas") in common with Landlord and other tenants of the Building and Business Park: the entrances, lobbies and other public areas of the Building, walkways, landscaped areas, driveways necessary for access to the Premises, parking areas and other common facilities designated by Landlord from time to time for common use of all tenants of the Building and Business Park. Tenant shall comply with all reasonable, non-discriminatory rules and regulations regarding the use of the Common Areas established by Landlord.

## 4. COMMENCEMENT AND EXPIRATION DATES

(a) Term. The term of this Lease shall commence upon the Commencement Date and terminate on the Termination Date. Within 30 days of determining the Commencement Date, Landlord and Tenant shall acknowledge in writing the Commencement Date by executing the Commencement Date Memorandum and Confirmation of Lease Terms attached as Exhibit B. The Commencement Date shall begin upon Tenant's Acceptance of the Premises. The term "Tenant's Acceptance of the Premises" as used in this Lease shall mean the date upon which the Premises are Substantially Complete, Tenant has inspected the Premises and Tenant has accepted the Premises. The term "Substantially Complete" or "Substantial Completion" as used in this Lease shall mean compliance with all of the following: (1) the shell and core of the Building are complete and in compliance with all applicable laws and codes, and all of the building systems are operational to the extent necessary to service the Premises; (2) Landlord has sufficiently completed all the work required to be performed by Landlord in accordance with this Lease, (except minor punch list items which Landlord shall thereafter promptly complete), such that Tenant can conduct normal business operations from the Premises; (3) Landlord has obtained a certificate of occupancy for the Building, or a temporary certificate of occupancy for that portion of the Building that includes all of the Premises, or its equivalent (i.e., final sign-off by City or County building and fire inspectors); and (4) Tenant has been provided with the number of parking privileges and spaces to which it is entitled under this Lease.

(b) Termination Right. N/A

(c) Early Possession. Tenant shall be entitled to possession of the Premises not less than 30 days prior to the Commencement Date for the purpose of installing Tenant's furniture, fixtures and equipment in the Premises. Such early occupancy shall be subject to all provisions hereof but shall not advance the Termination Date, and Tenant shall not pay Base Rent for such early occupancy period.

(d) Early Termination. Tenant shall have the right to terminate this Lease at any time after the Early Termination Notice Date, as defined in Section 1, by giving Landlord not less than 60 days prior written notice executed by the Chief Administrative Officer of Tenant.

5. RENT. (a) The first full calendar month's Base Rent shall be due and payable within thirty (30) days of Tenant's Acceptance of the Premises in the total amount shown in Section 1(i) hereof. A monthly installment in the same amount, subject to the adjustments described herein, shall be due and payable without demand on or before the first day of each calendar month succeeding the Commencement Date during the Term, except that Base Rent for any fractional calendar month at the commencement or end of the Term shall be prorated on a daily basis. Landlord shall file a Payment Voucher annually therefor, during the month of June, with the Auditor of the County of Los Angeles (the "County").

(b) CPI. From and after the 1st anniversary of the Commencement Date, on the first day of the first full calendar month thereafter (the "Adjustment Date") and on every anniversary of the Adjustment Date thereafter, Base Rent shall be adjusted by applying the CPI Formula set forth below.

(c) CPI Formula. The "Index" means the Consumer Price Index for all Urban Consumers for the Los Angeles-Riverside-Orange County, CA area, all items published by the United States Department of Labor, Bureau of Labor Statistics (1982-84=100). The "Basic Index" shall be the Index published for the month the Lease commences. The "CPI Formula" means Base Rent multiplied by a fraction, the numerator being the Index published for the month immediately preceding the month the adjustment is to be effective (the "New Index"), and the denominator being the Index published for the month the Lease commenced (the "Base Index"). If the Index is changed so that the Index differs from that used as of the Commencement Date of the Lease, the Index shall be converted in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics. If the Index is discontinued or revised during the Term of this Lease, such other governmental index or computation with which it is replaced shall be used in order to obtain substantially the same results as would be obtained if the Index had not been discontinued or revised.

(d) Illustration of CPI Formula. The formula for determining the new rent shall be as follows:

$$\frac{\text{New Index}}{\text{Basic Index}} \times \$5,850.00 = \text{New Monthly Base Rent}$$

(e) Limitations on CPI Adjustment. In no event shall the monthly Base Rent adjustment based upon the CPI Formula result in an annual increase less than two percent (2%) per year nor more than six percent (6%) per year of the Base Rent of \$5,850.00 (i.e. not less than \$117.00 nor more than \$351.00 per month, per annual adjustment). In no event shall the monthly Base Rent be adjusted by the CPI Formula to result in a lower monthly Base Rent than was payable during the previous year of the Lease

6. USES. The Premises are to be used only for the uses set forth in Section 1 and for no other business or purpose; however, Landlord shall not unreasonably withhold its consent to a change of use.

7. HOLDOVER. If Tenant remains in possession of the Premises or any part thereof after the expiration of the Term of this Lease, such occupancy shall be a tenancy which is terminable only upon 90 days written notice from Landlord or 30 days written notice from the Chief Administrative Officer of Tenant at the last monthly Base Rent payable under this Lease (as such Base Rent may be adjusted from time to time in accordance with this Lease) plus all other charges payable under this Lease, and subject to all of the terms, covenants and conditions of this Lease.

8. COMPLIANCE WITH LAW. Tenant shall, at Tenant's expense, comply promptly with all applicable statutes, ordinances, rules, regulations, orders and requirements in effect during the term hereof, regulating the use, occupancy or improvement of the Premises by Tenant. Landlord, not Tenant, shall, at its sole cost, at all times cause the Premises and the Building to comply with all applicable statutes, ordinances, rules, regulations, orders and requirements in effect and binding upon Tenant or Landlord during the term hereof, including without limitation, the Americans with Disabilities Act, except to the extent such compliance is made necessary as a result of Tenant's particular use of or alterations or improvements to the Premises.

9. DAMAGE OR DESTRUCTION.

(a) Damage. In the event any portion of the Premises is damaged by fire or any other cause rendering the Premises totally or partially inaccessible or unusable and the Premises may be restored to a complete architectural unit of the same value, condition and character that existed immediately prior to such casualty in less than 180 days, then Landlord shall promptly, at Landlord's expense, repair such damage and this Lease shall continue in full force and effect. If all or any portion of the Premises shall be made untenable by fire or other casualty, Landlord shall immediately secure the area to prevent injury to persons and/or vandalism to the improvements.

Landlord shall promptly, but in any event within ten days, cause an architect or general contractor selected by Landlord to provide Landlord and Tenant with a written estimate of the amount of time required to substantially complete the repair and restoration of the Premises and make the Premises tenantable again using standard working methods. The failure to do so shall be a material Default hereunder. Base Rent shall abate to the extent that the Premises are unusable by Tenant. Tenant waives the provisions of California Civil Code Sections 1932(2) and 1933(4) with respect to any partial or total destruction of the Premises.

(b) Tenant Termination Right. In the event any portion of the Premises is damaged by fire or any other cause rendering the Premises totally or partially inaccessible or unusable and the Premises will not be restored to a complete architectural unit of the same value, condition and character that existed immediately prior to such casualty in less than 180 days for any reason, then Tenant may terminate this Lease by giving written notice within ten days after notice from Landlord specifying such time period of repair; and this Lease shall terminate and the Base Rent shall be abated from the date the Premises became untenable. In the event that Tenant does not elect to terminate this Lease, Landlord shall promptly commence and diligently prosecute to completion the repairs to the Building or Premises, provided insurance proceeds are available to repair the damages.

(c) Damage In Last Year. Notwithstanding the foregoing provisions, if any material destruction to the Premises occurs during the last year of the Term, either Landlord or Tenant may terminate this Lease by giving notice to the other not more than 30 days after such destruction, in which case (a) Landlord shall have no obligation to restore the Premises, (b) Landlord may retain all insurance proceeds relating to such destruction, and (c) this Lease shall terminate as of the date which is 30 days after such written notice of termination.

(d) Default By Landlord. If Landlord is required to repair and restore the Premises as provided for in this Section and Landlord should fail to thereafter pursue said repair and restoration work with reasonable diligence to completion, Tenant may (a) declare a default hereunder or (b) perform or cause to be performed the restoration work and deduct the cost thereof plus interest thereon at ten percent (10%) per annum, from the Base Rent next due as a charge against the Landlord.

## 10. REPAIRS AND MAINTENANCE.

(a) Landlord Representations. Landlord represents to Tenant that (i) the Premises, the Building and all Common Areas (including electrical, heating, ventilating and air conditioning ("HVAC"), mechanical, plumbing, gas and fire/life safety systems in the Building and similar building service systems) comply with all current laws, codes, and ordinances, including the Americans With Disabilities Act; and are in reasonable good working order and condition; (ii) the Building and Premises comply with all covenants, conditions, restrictions and underwriter's requirements; and (iii) the Premises, Building and Common Areas are free of the presence of any Hazardous Materials (as hereinafter defined) and (iv) Landlord has not received any notice from any governmental agency that the Building or the Premises are in violation of any law or regulation. Landlord represents, based upon a professional inspection of the Premises and the Building and the Asbestos Report that the Premises and the Building contain no asbestos containing materials (other than as may be reflected in the Asbestos Report). Landlord shall, prior to Tenant's occupancy, abate, at Landlord's sole cost and expense, all asbestos containing materials to the extent required by law and provide Tenant with an updated report from a licensed California Asbestos contractor to that effect.

(b) Landlord Obligations. Landlord, at its sole cost and expense, shall keep and maintain in good repair and working order and promptly make repairs to and perform maintenance upon and replace as needed: (i) the structural elements of the Building, including without limitation, all permanent exterior walls and structural condition of interior bearing walls, roofing system; (ii) mechanical (including HVAC) and fire/life safety systems serving the Building, and (iii) the Common Areas.

Without limiting the foregoing, Tenant shall, at Tenant's sole expense, be responsible for the cost of repairing any area damaged by Tenant or Tenant's agents, employees, invitees and visitors and shall keep and maintain in good repair and working order and promptly make repairs to and perform maintenance upon and replace as needed: (i) floor coverings; (ii) drop ceilings; (iii) plumbing; (iv) windows and plate glass; (v) non-structural walls; (vi) doors and fixtures; (vii) signage; (viii) utility installations, electrical and lighting facilities, low voltage electrical, phone and data cabling and related equipment that is installed by or for the exclusive benefit of Tenant.

(c) Tenant's Right to Repair. If Tenant provides written notice (or oral notice in the event of an emergency such as damage or destruction to or of any portion of the Building structure, roofing system and/or the HVAC systems) to Landlord of an event or circumstance which requires the action of Landlord with respect to repair and/or maintenance, and Landlord fails to provide such action within a reasonable period of time, given the circumstances, after the giving of such notice, but in any event not later than five days after the giving of such notice, then Tenant may proceed to take the required action (provided, however, that no such notice shall be required in the event of an emergency which threatens life or where there is imminent danger to property or a possibility that a failure to take immediate action could cause a material disruption in Tenant's normal and customary business activities). Tenant shall have access to the Building to the extent necessary to perform the work contemplated by this provision. If such action was required under the terms of this Lease to have been taken by Landlord and was not taken by Landlord within such period (unless such notice was not required as provided above), and Tenant took such required action, then Tenant shall be entitled to prompt reimbursement by Landlord of Tenant's reasonable costs and expenses in having taken such action plus interest thereon at ten percent (10%) per annum. If not reimbursed by Landlord within ten days, Tenant shall be entitled to deduct from Base Rent payable by Tenant under this Lease the amount set forth in its invoice for such work. The remedies provided in this Section are in addition to the remedies provided in Section 14.

#### 11. SERVICES AND UTILITIES.

Landlord shall be responsible for providing the following services and utilities to the Premises, at its sole cost and expense:

(a) HVAC. Landlord shall furnish heating, ventilation and air conditioning ("HVAC"), during Normal Working Hours in amounts required for the use and occupancy of the Premises for normal office purposes to a standard comparable to other first-class buildings in the area in which the Premises is located.

(b) Electricity. Landlord shall furnish to the Premises electric current in the amount of Two panels at 200 amps each for a total of 400 amps..

(c) Elevators. N/A

(d) Water. Landlord shall furnish water for normal lavatory and potable water meeting all applicable governmental standards for drinking purposes in the Premises.

(e) Waste Removal. Landlord shall be responsible for waste and trash removal as well as sprinkler and sewer services.

(f) Access. Landlord shall furnish to Tenant's employees and agents access to the Building, Premises and Common Areas on a seven day per week, 24 hour per day basis, subject to compliance with such reasonable security measures as shall from time to time be in effect for the Building. Said access does not require the Landlord to furnish keys to Tenant's employees and agents. Tenant shall maintain the right to install locks/keys and access control systems and distribute keys and/or access cards to its employees and agents as well as control access to the Premises.

(g) Tenant shall be responsible for gas, electricity and telephone charges as well as Janitorial services.

12. LANDLORD ACCESS. Tenant shall permit Landlord and its agents to enter the Premises upon prior written notice for the purpose of inspecting the Premises for any reasonable purpose. If Landlord temporarily closes any portion of the Building or Premises, Base Rent shall be prorated based upon the percentage of the Premises or Building rendered untenable and not used by Tenant. Landlord shall have the right at any and all times to enter the Premises in the event of an emergency.

### 13. TENANT DEFAULT.

(a) Default. The occurrence of any one or more of the following events (a "Default") shall constitute a material default and breach of this Lease by Tenant:

(i) the failure by Tenant to make any payment of Base Rent or any other payment required to be made by Tenant hereunder (except to the extent an offset is expressly permitted hereunder), as and when due and if the failure continues for a period of ten days after written notice to Tenant;

(ii) the failure by Tenant to observe or perform any of the other covenants, conditions or provisions of this Lease, where such failure shall continue for a period of 30 days after written notice from Landlord specifying in detail the nature of the default; provided, however, if more than 30 days are reasonably required for its cure then Tenant shall not be deemed to be in default if Tenant commences such cure within said 30-day period and thereafter diligently prosecutes such cure to completion.

(b) Termination. Tenant agrees that if a Default should occur and should not be cured within the time periods set forth above, it shall be lawful for Landlord to terminate this Lease upon the giving of written notice to Tenant. In addition thereto, Landlord shall have such other rights or remedies as may be provided by law.

(c) No Effect on Indemnity. Nothing in this Section 13 shall be deemed to affect either Landlord or Tenant's right to indemnification under any indemnification clause or clauses set forth in this Lease.

#### 14. LANDLORD DEFAULT.

(a) Remedies. In addition to the provisions for Landlord's default provided by Sections 9(d), 10(c) 19 and 20(b), Landlord shall be in default in the performance of any obligation required to be performed by Landlord under this Lease if Landlord has failed to perform such obligation within five days after the giving of written notice with respect thereto by Tenant (which notice shall be, if appropriate, the same notice given under Section 10(c)) ; provided, however, that if the nature of such default is such that the same cannot reasonably be cured within such five day period, Landlord shall not be deemed to be in default if Landlord shall within such period commence such cure and thereafter diligently prosecute the same to completion. If the default by Landlord ("Landlord Default") is of such a nature that it materially and substantially interferes with Tenant's occupancy and use of the Premises and if such Landlord Default is not cured within the foregoing cure period, then Tenant shall have the right, at its option, with or without further notice or demand of any kind to Landlord or any other person, to any one or more of the following described remedies in addition to all other rights and remedies provided at law or in equity or elsewhere herein: (i) to remedy such default or breach and deduct the costs thereof (including but not limited to attorneys' fees) plus interest at the rate of ten (10%) per annum from the installments of Base Rent next falling due; (ii) to pursue the remedy of specific performance; (iii) to seek money damages for loss arising from Landlord's failure to discharge its obligations under this Lease or offset such damages against Base Rent next coming due; and/or (iv) to terminate this Lease.

(b) Waiver. Nothing herein contained shall relieve Landlord from its duty to effect the repair, replacement, correction or maintenance required to restore any affected services, or to perform any other obligations to the standard prescribed in this Lease, nor shall this Section be construed to obligate Tenant to undertake any such work.

(c) Emergency. Notwithstanding the foregoing cure period, Tenant may cure any default without notice where the failure promptly to cure such default would, in the reasonable opinion of Tenant, create or allow to persist an emergency condition or materially and adversely affect the operation of Tenant's business in the Premises.

15. ASSIGNMENT AND SUBLETTING. Tenant may assign this Lease upon receiving Landlord's prior consent: provided, however, no such assignment shall relieve Tenant of any liability under this Lease unless Landlord has given its written consent thereto, which Landlord shall not unreasonably withhold if the assignee has a financial condition which is reasonably sufficient for it to be responsible for all future obligations under this Lease.

## 16. ALTERATIONS AND ADDITIONS.

(a) Landlord Consent. Tenant shall not make any structural alterations, improvements, additions, or utility installations in or about the Premises (collectively, "Alterations") without first obtaining the written consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed. If Landlord fails to respond in writing within 30 days of such request, Landlord shall be deemed to approve the Alterations.

(b) End of Term. Any Alterations not removed by Tenant shall become the property of Landlord and remain upon and be surrendered with the Premises at the expiration of the Term.

## 17. CONDEMNATION.

(a) Controlling Terms. If during the Term, or during the period of time between the execution of this Lease and the Commencement Date, there is any taking of all or any part of the Premises or any interest in this Lease by Condemnation (as defined below), this Section shall determine the rights and obligations of Tenant and Landlord. "Condemnation" shall mean the exercise of any governmental power to take title to any portion of the Premises, whether by legal proceedings or otherwise, by a Condemnor (as defined below) or a voluntary sale or transfer by Landlord to any Condemnor, either under threat of a Condemnor's exercise of such power or while legal proceedings are pending for the exercise of such power. "Condemnor" shall mean any public or quasi-public authority, or private corporation or individual, having the power of Condemnation.

(b) Total Taking. If the Premises are totally taken by Condemnation, this Lease shall terminate on the date the Condemnor has a right to possession of the Premises (the "Date of Taking").

(c) Partial Taking. If any portion, but not all, of the Premises is taken by Condemnation, this Lease shall remain in effect, except that Tenant may elect to terminate this Lease if, in Tenant's reasonable judgment, the remaining portion of the Premises (including the space available for parking) is rendered unsuitable for Tenant's continued use of the Premises. If Tenant elects to so terminate this Lease, Tenant must exercise its right to terminate by giving notice to Landlord within 30 days after the date that the nature and the extent of the Condemnation have been determined (the "Determination Date"), which notice shall set forth the date of termination. Such termination date shall not be earlier than 30 days nor later than 90 days after Tenant has notified Landlord of its election to terminate; except that this Lease shall terminate on the Date of Taking if the Date of Taking falls on a date before the date of termination as designated by Tenant. If Tenant does not so notify Landlord within 30 days after the Determination Date, all obligations of Tenant under this Lease shall remain in effect, except that Base Rent shall be equitably abated.

(d) Restoration. Notwithstanding the preceding paragraph, if, within 30 days after the Determination Date, Landlord notifies Tenant that Landlord at its cost will add to the remaining Premises so that the area of the Premises and the space available for parking, will be substantially the same after the Date of Taking as they were before the Date of Taking, and Landlord commences the restoration promptly and, subject to reasonable allowance for delays that are not caused by Landlord, completes it within 90 days after Landlord so notifies Tenant, this Lease shall continue in effect. All obligations of Tenant under this Lease shall remain in effect, except that Base Rent shall be equitably abated or reduced during the period from the Date of Taking until the completion of such restoration.

(e) Award. The Award (as defined below) shall be divided between Landlord and Tenant as their respective interests may appear. "Award" shall mean all compensation, sums or anything of value awarded, paid or received on a total or partial Condemnation of the Premises.

(f) Waiver of Statute. Landlord and Tenant hereby waive the provision of California Code of Civil Procedure Section 1265.130 allowing Landlord or Tenant to petition the superior court to terminate this Lease in the event of a partial taking of the Premises.

## 18. INDEMNIFICATION.

(a) Tenant's Indemnity. Tenant shall indemnify, defend and hold Landlord harmless from and against all loss, cost and expense, including attorneys' fees, arising from any injury or damage to any person or property, occurring in or about the Building or Premises as a result of any negligent act, omission or willful misconduct of Tenant or its employees, or arising from any breach or default under this Lease by Tenant. The foregoing provisions shall not be construed to make Tenant responsible for loss, damage, liability or expense resulting from injuries to third parties caused by the negligence or willful misconduct of Landlord, or its officers, contractors, licensees, agents, employees or invitees.

(b) Landlord's Indemnity. Landlord shall indemnify, defend and hold Tenant harmless from and against all loss, cost and expense, including attorneys' fees, arising from any injury or damage to any person or property, occurring in or about the Building or Premises as a result of any negligent act, omission or willful misconduct of Landlord, or its officers, contractors, licensees, agents, employees, guests, or visitors, or arising from any breach or default under this Lease by Landlord. The foregoing provisions shall not be construed to make Landlord responsible for loss, damage, liability or expense resulting from injuries to third parties caused by the negligence or willful misconduct of Tenant, or its officers, contractors, licensees, agents, employees or invitees.

## 19. INSURANCE.

(a) Landlord's Insurance. During the term of this Lease, Landlord shall maintain the following insurance:

(i) Commercial property insurance which shall (1) cover damage to Landlord's property, including improvements and betterments, from perils covered by the causes-of-loss special form (ISO form CP 10 30), and include ordinance or law coverage (and coverage against acts of terrorism to the extent such coverage is reasonably available and priced at commercially reasonable rates) and (2) be written for full replacement cost of the property, with a deductible of no greater than 5% of the property value.

(ii) General liability insurance (written on ISO policy form CG 00 01 or its equivalent) with limits of not less than the following: (1) per occurrence and general aggregate amount of \$5,000,000; (2) products/completed operations aggregate of \$2,000,000 and (3) personal and advertising injury of \$1,000,000.

(iii) Failure by Landlord to maintain the insurance required by this Section and deliver evidence thereof as required by this Lease or to use any insurance proceeds to timely repair and restore the Premises shall constitute a material breach of this Lease.

(b) Insurance Requirements. All insurance policies required to be maintained by Landlord under this Lease shall be issued by insurance companies which have a Best's Rating of "AVII" or better and which are qualified to do business in the State of California. All liability and property damage and other casualty policies of Tenant shall be written as primary policies, not contributing with, and not in excess of coverage which Landlord may carry.

(c) Certificates. Landlord shall deliver to Tenant on the Commencement Date of this Lease and thereafter at least 15 days prior to expiration of any insurance required to be carried hereunder, certificates of insurance evidencing this coverage with limits not less than those specified above. Certificates must document that each party has named the other as an additional insured (or its equivalent) on its general liability and property insurance policy, and that Tenant has been named a loss payee on Landlord's commercial property insurance policy, as required. Further, all certificates shall expressly provide that no less than 30 days' prior written notice shall be given to Tenant in the event of material change to, expiration or cancellation of the coverages or policies evidenced by the certificates.

(d) Tenant's Insurance. During the term of this Lease, Tenant shall maintain the following insurance:

(i) General liability insurance (written on ISO policy form CG 00 01 or its equivalent) with limits of not less than the following: (1) per occurrence and general aggregate amount of \$5,000,000; (2) products/completed operations aggregate of \$2,000,000 and (3) personal and advertising injury of \$1,000,000.

(ii) Personal Property Insurance.

(iii) Failure by Tenant to maintain the insurance required by this Section and deliver evidence thereof as required by this Lease shall constitute a material breach of this Lease. Tenant shall have the right to use its self-insurance programs to comply with the insurance requirements contained in this Lease.

## 20. PARKING.

(a) Tenant's Rights. Tenant shall have the right to the number of exclusive reserved parking stalls set forth in Section 1 without charge for the Term of this Lease. No tandem parking shall be permitted and Tenant shall be entitled to full in/out privileges. Tenant's parking rights shall be subject to reasonable parking rules and regulations adopted by Landlord from time to time, provided that such procedures shall be uniformly applied to all tenants. Tenant acknowledges that all other parking spaces are not for the exclusive use of Tenant, rather, all such parking spaces are to be used on a non-exclusive, first-come, first-served basis by Tenant and other tenants, occupants, licensees, invitees and permittees of the Building.

(b) Remedies. Landlord acknowledges that it is a material term of this Lease that Tenant receives all of the Parking Spaces to which it is entitled under this Lease for the entire Term of this Lease and that it would be impracticable and extremely difficult to fix the actual damages for a breach of such provisions. It is therefore agreed that if, for any reason whatsoever, a material number of the Parking Spaces required above are not available to Tenant, (in addition to the rights given to Tenant under Section 14 and Sections 9 and 17 in the event of casualty or condemnation) Tenant may (a) terminate this Lease by giving written notice of such termination to Landlord, which notice shall be effective thirty (30) days thereafter or (b) deduct from the Base Rent thereafter accruing hereunder an amount each month equal to \$50 per parking space.

## 21. ENVIRONMENTAL MATTERS

(a) Hazardous Materials. Tenant shall not cause nor permit, nor allow any of Tenant's employees, agents, customers, visitors, invitees, licensees, contractors, assignees or subtenants to cause or permit, any Hazardous Materials to be brought upon, stored, manufactured, generated, blended, handled, recycled, treated, disposed or used on, under or about the Premises, the Building or the Common Areas, except for routine office and janitorial supplies in usual and customary quantities stored, used and disposed of in accordance with all applicable Environmental Laws.

As used herein, "Hazardous Materials" means any chemical, substance, material, controlled substance, object, condition, waste, living organism or combination thereof, whether solid, semi solid, liquid or gaseous, which is or may be hazardous to human health or safety or to the environment due to its radioactivity, ignitability, corrosivity, reactivity, explosivity, toxicity, carcinogenicity, mutagenicity, phytotoxicity, infectiousness or other harmful or potentially harmful properties or effects, including, without limitation, molds, toxic levels of bacteria, tobacco smoke within the Premises, petroleum and petroleum products, asbestos, radon, polychlorinated biphenyls (PCBs), refrigerants (including those substances defined in the Environmental Protection Agency's "Refrigerant Recycling Rule," as amended from time to time) and all of those chemicals, substances, materials, controlled substances, objects, conditions, wastes, living organisms or combinations thereof which are now or become in the future listed, defined or regulated in any manner by any Environmental Law based upon, directly or indirectly, such properties or effects. As used herein, "Environmental Laws" means any and all federal, state or local environmental, health and/or safety-related laws, regulations, standards, decisions of courts, ordinances, rules, codes, orders, decrees, directives, guidelines, permits or permit conditions, currently existing and as amended, enacted, issued or adopted in the future which are or become applicable to Tenant, the Premises, the Building or the Common Areas.

(b) Landlord Indemnity. Landlord shall indemnify, protect, defend (by counsel acceptable to Tenant) and hold harmless Tenant from and against any and all claims, judgments, causes of action, damage, penalties, fine, taxes, costs, liabilities, losses and expenses arising at any time during or after the Term as a result (directly or indirectly) of or in connection with the presence of Hazardous Materials on, under or about the Premises, Building or Common Areas or other violation of laws relating to Hazardous Materials other than caused by Tenant. This indemnity shall include, without limitation, the cost of any required or necessary repair, cleanup or detoxification, and the preparation and implementation of any closure, monitoring or other required plans, as such action is required by local or state laws or any governmental agency. Landlord shall promptly deliver to Tenant a copy of any notice received from any governmental agency during the Term of this Lease concerning the presence of Hazardous Materials in the Building or the Premises. Landlord's obligations pursuant to the foregoing indemnity shall survive the expiration or termination of this Lease. A default by Landlord under this Section shall constitute a material default under this Lease.

22. ESTOPPEL CERTIFICATES. Tenant shall, within 30 days after written request of Landlord, execute, acknowledge and deliver to Landlord or its designee a written statement in the form of Exhibit "D" attached herewith and incorporated herein, but shall have no other obligation to deliver any other form of estoppel certificate. It is intended that any such statement delivered pursuant to this Section may be relied upon by a prospective purchaser of Landlord's interest or holder of any mortgage upon Landlord's interest in the Premises.

23. REFURBISHMENT OF PREMISES. Prior to the Commencement Date, Landlord shall refurbish the Premises pursuant to Tenant's plans and specifications attached herewith and incorporated herein as Exhibit "A" (the "Refurbishment Work"). Said Refurbishment Work shall be managed and funded by Landlord at its sole cost and expense at a cost not to exceed \$200,000 (the "Maximum Project Budget"), and completed as follows:

(a) Landlord within fifteen (15) days after receipt of a duly executed copy of this Lease document, shall, at its own expense and included within the \$200,000 maximum project budget, contract with licensed California architect(s) and engineer(s) to prepare final working drawings and specifications for the proposed Refurbishment Work (collectively, the "Working Drawings").

(b) Tenant shall reimburse Landlord for Refurbishment Work costs above \$25,000, and will amortize said cost at the rate of 8.5% per annum over the first thirty-six (36) months of the Lease Term. Tenant may at anytime during the Lease Term pay Landlord in a lump sum for all or any portion of the reimbursable funds and reduce the monthly reimbursement amount accordingly. Landlord will notify Tenant of the final refurbishment costs, and the reimbursable amount payable monthly by Tenant in addition to the Base Rent. For purposes of ascertaining the actual costs of said Refurbishment Work, Landlord shall provide to Tenant, upon the issuance of a Certificate of Occupancy, or a final sign-off by the City of Monrovia, a detailed breakdown of the total costs for the Refurbishment Work and execute a summarized breakdown of said total costs in the form attached as Exhibit "G" and incorporated herein by this reference. Tenant shall have the right to audit such costs for a period of Twenty-four months from the Lease Commencement Date. In the event Tenant requests a rent reduction due to its audit of these costs, Tenant shall provide Landlord with a copy of the audit summary as part of its request.

(c) The Working Drawings are to be prepared in accordance with the Tenant's preliminary plans No. 12-06 dated May 16, 2006 (the "Plans"). The Plans are also on file with the County Chief Administrative Office (CAO) and are attached hereto as Exhibit "A" and incorporated herein by this reference and Landlord has been provided a duplicate copy. Landlord and/or its Architect shall provide the final Working Drawings required hereunder from said preliminary Plans with Tenant having the right to review and approve said final Working Drawings prior to the commencement of any Refurbishment Work. All Refurbishment Work, including without limitation, work, construction and materials shall be included in the final Working Drawings. All circuit breakers, fire sprinklers, and plumbing shut off valves shall be labeled as to areas controlled both on the Working Drawings and on the breaker panels and valves. Upon completion of the Refurbishment Work, Landlord and/or its Architect shall furnish the CAO with one (1) complete set of reproducible as-built drawings of the Refurbishment Work on an AUTO CAD DFX File, together with the existing plans, if any, showing the locations of any underground utility lines and their depths.

(d) Upon Landlord's completion of the Refurbishment Work, the Premises shall meet all applicable City, County State and Federal building codes, regulations and ordinances required for beneficial occupancy. Any work, including construction, that Landlord must undertake to obtain the necessary jurisdictional approvals for occupancy shall be at Landlord's sole cost and expense and shall be included within the \$200,000 Maximum Project Budget.

(e) Any and all construction pertaining to this Lease by Landlord or its designated contractors or subcontractors shall comply with all applicable City, County, State and Federal regulations, codes and ordinances, including without limitation all provisions of the California Labor Code. Under the provisions of said Labor Code, the State Department of Industrial Relations will ascertain the prevailing hourly rate in dollars and details pertinent thereto for each craft, classification or type of workman or mechanic needed for the construction and performance of the Refurbishment Work. Particulars of the current Prevailing Wage Scale, as approved by the County Board of Supervisors, which is applicable to the Refurbishment Work are filed with the Clerk of the Board of Supervisors and must be posted at the subject site.

(f) The Refurbishment Work costs shall not include any costs incurred for asbestos abatement or ADA upgrades or fire life safety upgrades. All work for required asbestos abatement or ADA upgrades or fire life safety upgrades shall be performed at the sole cost and expense of Landlord and not be included in the \$200,000 maximum project budget. All fire life safety upgrades required due to the Tenant's layout or specifications or proposed work, shall be included in the \$200,000 Maximum Project Budget.

(g) The parties agree that the estimated time for completion of said Refurbishment Work is 120 days from the date of issuance of the building permit therefor (the "Estimated Completion Date"). Landlord shall file for building permits within thirty (30) days of Lease execution and diligently pursue obtaining said permits as soon as possible.

(h) Landlord shall complete the telephone equipment room(s) including permanent power and HVAC in compliance with the plans and specifications set forth in Exhibit "A" at least twenty (20) days prior to the Estimated Completion Date.

(i) Completion may be delayed by:

1. Acts or omissions of Tenant or of any employees or agents of Tenant (including change orders in the Refurbishment Work), or
2. Any act of God which Landlord could not have reasonably foreseen and provided for, or

3. Any strikes, boycotts or like obstructive acts by employees or labor organizations which Landlord cannot overcome with reasonable effort and could not reasonably have foreseen and provided for, or
4. Any war or declaration of a state of national emergency, or
5. The imposition by government action or authority of restrictions upon the procurement of labor or materials necessary for the completion of the Premises.

(j) If Landlord fails to obtain the building permit for the Refurbishment Work within a reasonable time, taking all factors into consideration, or if the Refurbishment Work has not been completed within sixty (60) days from the Estimated Completion Date, which period shall be extended for a reasonable time for the delays enumerated above, Tenant may, at its option:

1. Cancel the Lease upon thirty (30) days written notice to Landlord; or
2. Upon thirty (30) days written notice to Landlord, assume the responsibility for performing the Refurbishment Work itself.

If Tenant elects to perform the Refurbishment Work, then:

- i. Tenant, its officers, employees, agents, contractors and assignees, shall have free access to the Premises at all reasonable times for the purpose of performing the Refurbishment Work and for any other purposes related thereto
- ii. Rent shall be reduced by Tenant's total expense in performing the Refurbishment Work, including without limitation any financing charges for capital and a reasonable amount for Tenant's administrative costs, and including interest at the rate of 10%. The rent reduction schedule shall be as mutually agreed to between the parties or, if no such agreement is made, Tenant's total expense for the completion of the Refurbishment Work shall be fully amortized in equal monthly amounts over 3 years.

24. LIENS. Tenant shall keep its interest in this Lease and the Premises free from any liens arising out of any work performed or materials ordered or obligations incurred by Tenant. Landlord shall keep its interest in this Lease and the Premises free from any liens which would impair the interest of Tenant hereunder and hereby indemnifies and holds Tenant harmless from any liability or loss from any such lien.

## 25. SUBORDINATION AND MORTGAGES

(a) Subordination and Non-Disturbance. Tenant agrees, at Landlord's option, to subordinate this Lease to the lien of any mortgages or deeds of trust now or hereafter in force against the Building; provided, however, Tenant's obligation to subordinate this Lease is expressly conditioned upon Tenant receiving a written agreement in the form of Exhibit "E" attached herewith and incorporated herein, and provided further that no such subordination shall affect any option to extend the Term of this Lease, right of first offer to lease additional premises, option to purchase or right of first offer to purchase the Property which may be included herein.

(b) Existing Deeds of Trust. The beneficiary under any existing deed of trust affecting the Building shall provide a written agreement to Tenant, in the form of Exhibit "E" attached hereto and incorporated herein by this reference, within 30 days after the execution of this Lease.

(c) Request for Notice. Landlord acknowledges that Tenant intends to record a Request for Notice with respect to any mortgages or deeds of trust affecting the Premises, the Building, or the property on which the Building is located in the form of Exhibit "F" attached hereto and incorporated herein by this reference.

(d) Notice of Default. If any mortgagee or beneficiary under a deed of trust affecting the Premises, the Building, or the property on which the Building is located gives written notice of its name and address to Tenant by registered mail requesting any such notice with reference to this Section, Tenant agrees to use its best efforts (but without liability for failure to do so) to give such mortgagee a copy of any notice of Default served upon Landlord hereunder which could permit Tenant to terminate this Lease and an additional ten days within which to cure such Default..

26. SURRENDER OF POSSESSION. Subject to casualty, at the expiration of the Term of this Lease, whether by lapse of time or otherwise, Tenant shall promptly and peacefully surrender the Premises to Landlord in a "broom-clean" condition. Tenant shall remove, at its own expense, all fixtures, equipment and all other personal property placed or installed in or upon the Premises by Tenant, or under its authority (including any modular furniture). Tenant shall not be responsible for removing walls, flooring materials, millwork, cabinetry, doors, door hardware, HVAC, fire life safety and electrical equipment.

27. SIGNAGE. Tenant shall be permitted to install at the Premises reasonably appropriate signs that conform with any and all applicable laws and ordinances.

28. QUIET ENJOYMENT. So long as Tenant is not in default hereunder, Tenant shall have the right to the quiet and peaceful enjoyment and possession of the Premises and the Common Areas during the Term of this Lease, subject to the terms and conditions of this Lease.

## 29. GENERAL

(a) Headings. Titles to Sections of this Lease are not a part of this Lease and shall have no effect upon the construction or interpretation of any part hereof.

(b) Successors and Assigns. All of the covenants, agreements, terms and conditions contained in this Lease shall inure to and be binding upon the Landlord and Tenant and their respective successors and assigns.

(c) Brokers. Landlord and Tenant each represent and warrant to each other that it has not engaged any broker, finder or other person who would be entitled to any commission or fees in respect of the negotiation, execution or delivery of this Lease other than as disclosed to the other in writing and shall indemnify and hold harmless each other against any loss, cost, liability or expense incurred by the other party as a result of any claim asserted by any such broker, finder or other person on the basis of any arrangements or agreements made or alleged to have been made in variance with this representation.

(d) Entire Agreement. This Lease is the final and complete expression of Landlord and Tenant relating in any manner to the leasing, use and occupancy of the Premises, to Tenant's use of the Building and other matters set forth in this Lease. No prior agreements or understanding pertaining to the same shall be valid or of any force or effect and the covenants and agreements of this Lease shall not be altered, modified or added to except in writing signed by both Landlord and Tenant.

(e) Severability. Any provision of this Lease which shall prove to be invalid, void or illegal shall in no way affect, impair or invalidate any other provision hereof and the remaining provisions hereof shall nevertheless remain in full force and effect.

(f) Notices. All notices and communications to any party hereunder shall be in writing and shall be deemed properly given if delivered personally, sent by registered or certified mail, postage prepaid, or by a recognized overnight commercial messenger providing proof of delivery, facsimile (electronically confirmed) to Landlord's Address for Notice and Tenant's Address for Notice as set forth in Section 1. Any notice so given shall be deemed to have been given as of the date of delivery (whether accepted or refused) established by U.S. Post Office return receipt or the overnight carrier's proof of delivery, as the case may be. Any such notice not so given shall be deemed given upon receipt of the same by the party to whom the same is to be given.

(g) Governing Law and Forum. This Lease shall be governed by and construed in accordance with the internal laws of the State of California. Any litigation with respect to this Lease shall be conducted in the County of Los Angeles, State of California.

(h) Waivers. No waiver by Landlord or Tenant of any provision hereof shall be deemed a waiver of any other provision hereof or of any subsequent breach by Landlord or Tenant of the same or any other provision. Landlord's or Tenant's consent to or approval of any act shall not be deemed to render unnecessary the obtaining of Landlord's or Tenant's consent to or approval of any subsequent act by Landlord or Tenant.

(i) Time of Essence. Time is of the essence for the performance of all of the obligations specified hereunder.

(j) Consent. Whenever any consent is required by Landlord or Tenant hereunder, such consent shall not be unreasonably withheld, conditioned or delayed and, unless otherwise specifically provided herein, shall be deemed granted if not refused within ten (10) days after written request is made therefore, together with all necessary information.

(k) Community Business Enterprises Landlord shall complete and deliver to Tenant concurrently with the execution hereof a Community Business Enterprises form set forth as Exhibit "C" attached herewith and incorporated herein.

30. AUTHORITY. Only the Board of Supervisors has the authority, by formally approving and/or executing this Lease, to bind the County to the terms included herein. Each individual executing this Lease on behalf of Tenant represents and warrants that he or she is duly authorized to execute and deliver this Lease on behalf of Tenant, and that this Lease is binding upon Tenant in accordance with its terms. Landlord understands that no material terms of this Lease may be altered or deleted, nor may any new material terms be added to this Lease, without the express written approval of the Board of Supervisors, either through an amendment to the Lease or by other formal board action.

No County officer, employee, agent or independent contractor has any authority to alter, add or delete the material terms of this Lease and Landlord may not rely upon any representations to the contrary. This limitation of authority applies to all material terms of the Lease including, without limitation, any monetary ceiling established for Tenant Improvements or other project costs of Landlord which are subject to reimbursement by County. County shall not reimburse Landlord for any expenses which exceed this ceiling. Notwithstanding the foregoing, the Chief Administrative Officer of the County or its delegee (the "Chief Administrative Officer") may take any administrative act on behalf of Tenant hereunder which does not have the effect of increasing Base Rent or other financial obligations of Tenant under this Lease, including without limitation, granting any approvals, terminating this Lease in the manner provided herein by an Early Termination Notice or otherwise, signing estoppel certificates, signing the Commencement Date Memorandum and Confirmation of Lease Terms or subordinating this Lease. Each individual executing this Lease on behalf of Landlord represents and warrants that he or she is duly authorized to execute and deliver this Lease on behalf of Landlord, and that this Lease is binding upon Landlord in accordance with its terms.

### 31. ACKNOWLEDGEMENT BY LANDLORD

Landlord acknowledges that it is aware of the following provisions:

(a) Consideration of GAIN Program Participants. Should Landlord require additional or replacement personnel after the effective date of this Lease, Landlord shall give consideration for any such employment, openings to participants in the County Department of Public Social Services' Greater Avenues for Independence ("GAIN") Program who meet Landlord's minimum qualifications for the open position. The County will refer GAIN participants by job category to Landlord.

(b) Solicitation of Consideration. It is improper for any County officer, employee or agent to solicit consideration in any form from a landlord with the implication, suggestion or statement that the landlord's provision of the consideration may secure more favorable treatment for the landlord in the award of the Lease or that landlord's failure to provide such consideration may negatively affect the County's consideration of the landlord's offer to lease. A landlord shall not offer or give, either directly or through an intermediary, consideration in any form to a County officer, employee or agent for the purpose of securing favorable treatment with respect to the award of the Lease.

Landlord shall immediately report any attempt by a County officer, employee or agent to solicit such improper consideration. The report shall be made either to the County manager charged with the supervision of the employee or to the County Auditor-Controller's Employee Fraud Hotline at (213) 974-0914 or (800) 544-6861. Failure to report such solicitation may result in the landlord's submission being eliminated from consideration.

(c) Landlord Assignment.

(i) Landlord may assign, transfer, mortgage, hypothecate or encumber Landlord's right, title and interest in and to this Lease or any portion thereof (including the right to receive rental payments but excluding its duties and obligations hereunder), and Landlord may execute any and all instruments providing for the payment of Base Rent directly to an assignee or transferee, but only if the conditions set forth in this Section are met.

(ii) Any document or agreement purporting to assign, transfer, mortgage, hypothecate or encumber Landlord's right, title and interest in and to this Lease or any portion thereof, is hereinafter referred to as a "Security Agreement." Any Security Agreement which is executed without full compliance with the requirements of this Section shall be void.

(iii) Each assignee or transferee under the Security Agreement shall certify and agree in writing that such assignee or transferee has read and is familiar with the requirements of Sections 5950-5955 of the California Government Code, which prohibits the offer or sale of any security constituting a fractional interest in this Lease or any portion thereof, without the prior written consent of the County.

(iv) Violation by Landlord of the provisions of Section 5951 of the California Government Code will constitute a material breach of this Lease, upon which the County may impose damages in an amount equal to the greater of (a) \$500,000 or (b) 10% of the aggregate principal portion of all rental payments payable by the County during the entire Term of this Lease, it being expressly agreed that the aforesaid amount shall be imposed as liquidated damages, and not as a forfeiture or penalty. It is further specifically agreed that the aforesaid amount is presumed to be the amount of damages sustained by reason of any such violation, because from the circumstances and nature of the violation it would be impracticable and extremely difficult to fix actual damages. In addition, the County may exercise or pursue any other right or remedy it may have under this Lease or applicable law.

(v) Landlord shall give the County notice and a copy of each Security Agreement and any other instrument relating thereto (including, but not limited to, instruments providing for the payment of Base Rent directly to an assignee or transferee) at least two weeks prior to the effective date thereof.

(vi) Landlord shall not furnish any information concerning County or the subject matter of this Lease (including, but not limited to, offering memoranda, financial statements, economic and demographic information, and legal opinions rendered by the office of counsel for the County) to any person or entity, except with County's prior written consent, which shall not be unreasonably withheld. Landlord shall indemnify, defend and hold County and its officers, agents and employees harmless from and against all claims and liability alleged to arise from the inaccuracy or incompleteness of any information furnished by Landlord in violation of this Section.

(vii) The provisions of this Section shall be binding upon and applicable to the parties hereto and their respective successors and assigns. Whenever in this Section Landlord is referred to, such reference shall be deemed to include Landlord's successors or assigns, and all covenants and agreements by or on behalf of Landlord herein shall bind and apply to Landlord's successors and assigns whether so expressed or not.

32. TAXES. (a) Landlord shall pay promptly all real property taxes, assessments, and special assessments which may be levied or assessed against the Business Park, Building or Premises during the term of this Lease or any renewal or holdover period, thereof.

(b) In the event Landlord fails or refuses to pay any or all taxes or assessments when due, then Landlord shall have materially defaulted on this provision of the Lease and Tenant shall give Landlord at least thirty days' advance written notice of its intent to pay such taxes and/or assessments and deduct the respective payment amount from future rental payments as a charge against the Landlord.

(c) Tenant shall pay promptly any personal property taxes, business taxes or special assessments levied against Tenant.

33. IRREVOCABLE OFFER. In consideration for the time and expense that Tenant will invest, including, but not limited to, preliminary space planning, legal review, and preparation and noticing for presentation to the Tenant Real Estate Management Commission of Los Angeles County in reliance on Landlord's agreement to lease the Premises to Tenant under the terms of this Lease, Landlord irrevocably offers to enter into this Lease and not to revoke this offer until the Irrevocable Offer Expiration Date, as defined in Section 1.

.IN WITNESS WHEREOF this Lease has been executed the day and year first above set forth.

LANDLORD:

DOOTSON PROPERTY MANAGEMENT,  
L.P.

By: Barbara Cox  
Name: Barbara Cox  
Its: Property mgr

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

TENANT:

COUNTY OF LOS ANGELES  
a body politic and corporate

By: \_\_\_\_\_  
Zev Yaroslavsky  
Chairman, Board of Supervisors

ATTEST:

Sachi A. Hamai  
Executive Officer-Clerk  
of the Board of Supervisors

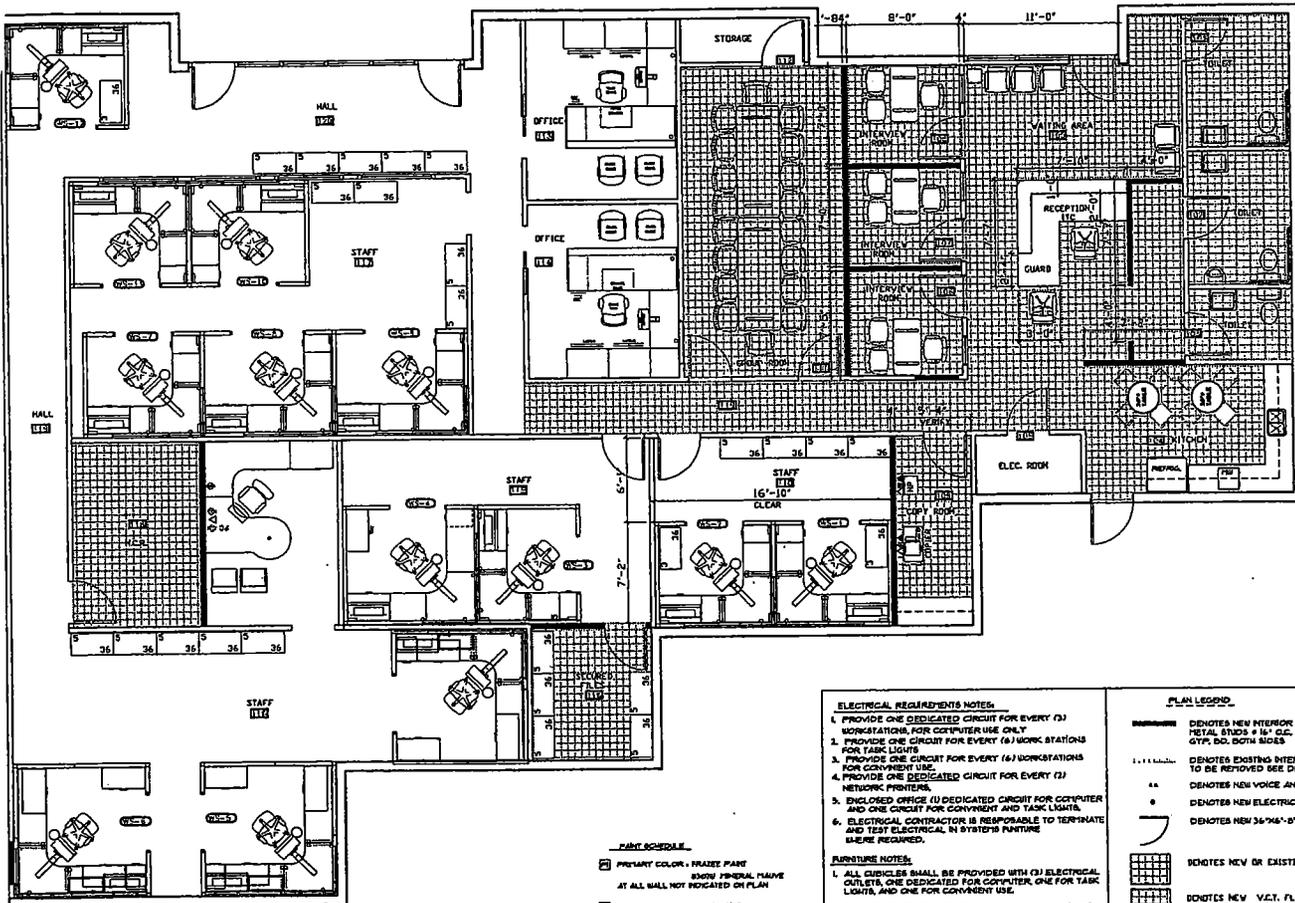
By: \_\_\_\_\_  
Deputy

APPROVED AS TO FORM:  
Raymond G. Fortner, Jr.  
County Counsel

By:   
Deputy:

# EXHIBIT A

## FLOOR PLAN OF PREMISES



**PROPOSED FLOOR PLAN**  
SCALE 1/4"=1'-0"

- PAINIT SCHEDULE**
- ☐ PRIMARY COLOR - PRAISE PAINT  
SHOW SYMBOL PLANS  
AT ALL WALL NOT INDICATED ON PLAN
  - ☐ ACCENT COLOR - PRAISE PAINT  
SHOW SYMBOL PLANS
  - ☐ ACCENT COLOR - PRAISE PAINT  
WOOD CLAY WT

- ELECTRICAL REQUIREMENTS NOTES:**
1. PROVIDE ONE DEDICATED CIRCUIT FOR EVERY (3) WORKSTATION, FOR COMPUTER USE ONLY
  2. PROVIDE ONE CIRCUIT FOR EVERY (6) WORKSTATIONS FOR TASK LIGHTS
  3. PROVIDE ONE CIRCUIT FOR EVERY (6) WORKSTATIONS FOR GOVERNMENT USE
  4. PROVIDE ONE DEDICATED CIRCUIT FOR EVERY (2) NETWORK PRINTERS
  5. ENCLOSED OFFICE (1) DEDICATED CIRCUIT FOR COMPUTER AND ONE CIRCUIT FOR GOVERNMENT AND TASK LIGHTS
  6. ELECTRICAL CONTRACTOR IS RESPONSIBLE TO TERMINATE AND TEST ELECTRICAL IN SYSTEMS FURNITURE WHERE REQUIRED.

- FURNITURE NOTES:**
1. ALL CIRCLES SHALL BE PROVIDED WITH (2) ELECTRICAL OUTLETS, ONE DEDICATED FOR COMPUTER, ONE FOR TASK LIGHTS, AND ONE FOR GOVERNMENT USE
  2. ENCLOSED OFFICES AND CONFERENCE ROOM FURNITURE SHALL BE WOOD FRESH
  3. SYSTEMS FURNITURE PANELS SHALL BE DEDICATED

**PLAN LEGEND**

- ☐ DENOTES NEW INTERIOR WALL FULL HT. METAL STUDS @ 16" O.C. AND GYP. SO. BOTH SIDES
- ⋯⋯⋯ DENOTES EXISTING INTERIOR WALL TO BE REMOVED SEE DEMO PLAN
- ⊕ DENOTES NEW VOICE AND DATA LINE PROVIDE 3/4" CONDUIT PEN.
- DENOTES NEW ELECTRICAL OUTLETS
- DENOTES NEW 36"x48"-8" S.C. DOOR, PLANT GRADE
- ☐ DENOTES NEW OR EXISTING CERAMIC TILE FLOOR
- ☐ DENOTES NEW V.C.T. FLOOR
- ☐ DENOTES AREAS WITH NEW CARPET, CARPET SAMPLES SHALL BE SUBMITTED TO COUNTY FOR APPROVAL

INFORMATION  
**FRAN ESCALANTE**  
 Designer  
**KEVIN WEBB**  
 Agent  
 NONE  
 checked by  
**SARA SF.**  
 PROJECT NO. R.

COUNTY OF LOS ANGELES  
**DEPARTMENT OF MENTAL HEALTH**  
 2620 CALIFORNIA STREET  
 MONROVIA, CA



COUNTY OF LOS ANGELES  
**CHIEF ADMINISTRATIVE OFFICE**  
 REAL ESTATE DIVISION  
 FACILITIES DESIGN  
 222 SOUTH HILL STREET LOS ANGELES, CA 90072

FILE NO.  
 12-06  
 SHEET NO.  
**A-1** REV 6  
 OF 1 SHEETS

EXHIBIT B

COMMENCEMENT DATE MEMORANDUM

Reference is made to that certain lease ("Lease") dated \_\_\_\_\_, 2006, between County of Los Angeles, a body politic and corporate ("Tenant"), and DOOTSON PROPERTY MANAGEMENT, L.P. ("Landlord"), whereby Landlord leased to Tenant and Tenant leased from Landlord certain premises in the building located at 2620 South California Avenue, Monrovia ("Premises"),

Landlord and Tenant hereby acknowledge as follows:

- (1) Landlord delivered possession of the Premises to Tenant in a Substantially Complete condition on \_\_\_\_\_ ("Possession Date");
- (2) Tenant has accepted possession of the Premises and now occupies the same;
- (3) The Lease commenced on \_\_\_\_\_ ("Commencement Date");
- (4) The Premises contain \_\_\_\_\_ rentable square feet of space; and
- (5) Base Rent Per Month is \_\_\_\_\_.

IN WITNESS WHEREOF, this Memorandum is executed this \_\_\_ day of \_\_\_\_\_, 200\_.

"Tenant"

COUNTY OF LOS ANGELES,  
a body politic and corporate

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

"Landlord"

DOOTSON PROPERTY MANAGEMENT,  
L.P.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

## EXHIBIT C

### **COMMUNITY BUSINESS ENTERPRISE FORM**

**INSTRUCTIONS:** All Lessors shall submit this form on an annual basis on or before December 30th of each year of the term of this agreement as evidence of CBE participation. The information requested below is for statistical purposes only. On final analysis and consideration, leases will be selected without regard to gender, race, creed, or color. Categories listed below are based on those described in 49 CFR Section 23.5.

Firm Name	
Address	
Contact Name	
Telephone No.	
Total # of Employees	
Business Structure*	

\*Corporation, Partnership, etc.

#### MINORITY/WOMEN PARTICIPATION IN FIRM

	OWNERS	ASSOCIATE PARTNERS			
Black/African American					
Hispanic/Latin					
Asian American					
Portuguese American					
A. Indian/Alaskan					
All Others					
<b>TOTAL</b>					
Women*					

*\*Should be included in counts above and reported separately)*

#### PERCENTAGE OF MINORITY/WOMEN OWNERSHIP IN FIRM

	TOTAL # OF OWNERS	% OF OWNERSHIP
Black/African American		
Hispanic/Latin American		
Asian American		
Portuguese American		
American Indian/Alaskan Native		
All Others		
<b>TOTAL</b>		
Women*		

*\*Should be included in counts above and reported separately)*

CURRENT CERTIFICATION AS MINORITY/WOMEN-OWNED FIRM

Is your firm currently certified as a minority owned business firm by the:

	yes	No
State of California?		
City of Los Angeles?		
Federal Government?		

WE DO NOT WISH TO PROVIDE THE INFORMATION REQUIRED IN THIS FORM.

Initial here if applicable	Initial
	UC

SIGNED: *Barbara Cox*

TITLE: *Property Manager*

DATE: *Nov 20, 2006*

EXHIBIT D

**TENANT ESTOPPEL CERTIFICATE**

To: [Insert name of party to rely on document]

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Attn: \_\_\_\_\_

Re:    Date of Certificate:            \_\_\_\_\_  
      Lease Dated:                    \_\_\_\_\_  
      Current Landlord:            \_\_\_\_\_  
      Located at:                    \_\_\_\_\_  
      Premises:                      \_\_\_\_\_  
      Commencement Date of Term: \_\_\_\_\_  
      Expiration Date:              \_\_\_\_\_  
      Current Rent:                 \_\_\_\_\_

County of Los Angeles ("Tenant") hereby certifies that as of the date hereof:

1.        Tenant is the present owner and holder of the tenant's interest under the lease described above, as it may be amended to date (the "Lease"). The Lease covers the premises described above (the "Premises") in the building (the "Building") at the address set forth above.

2.        (a)      A true, correct and complete copy of the Lease (including all modifications, amendments, supplements, side letters, addenda and riders of and to it) is attached to this Certificate as Exhibit A.

          (b)      The current Rent is set forth above.

          (c)      The term of the Lease commenced on the Commencement Date set forth above and will expire on the Expiration Date set forth above, including any presently exercised option or renewal term. Except as specified in the Lease, Tenant has no option or right to renew, extend or cancel the Lease.

          (d)      Except as specified in the Lease, Tenant has no option or right to lease additional space in the Premises or Building or to use any parking.

          (e)      Except as specified in the Lease, Tenant has no option or preferential right to purchase all or any part of the Premises (or the land of which the Premises are a part).

          (f)      Tenant has made no agreement with Landlord or any agent, representative or employee of Landlord concerning free rent, partial rent, rebate of rental payments or any other similar rent concession, except as expressly set forth in the Lease.

3.        (a)      The Lease constitutes the entire agreement between Tenant and Landlord with respect to the Premises, has not been modified, changed, altered or amended and is in full force and effect. There are no other agreements, written or oral, which affect Tenant's occupancy of the Premises.

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(b) To the knowledge of Tenant, Tenant has not given Landlord written notice of a material default under the Lease which has not been cured.

(c) The interest of Tenant in the Lease has not been assigned or encumbered. Tenant is not entitled to any credit against any rent or other charge or rent concession under the Lease except as set forth in the Lease. No rental payments have been made more than one month in advance.

4. All contributions required to be paid by Landlord to date for improvements to the Premises have been paid in full and all of Landlord's obligations with respect to tenant improvements have been fully performed.

IN WITNESS WHEREOF, the Tenant has executed this Tenant Estoppel Certificate as of the day set forth above.

COUNTY OF LOS ANGELES

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

EXHIBIT E

SUBORDINATION, NON-DISTURBANCE

AND ATTORNMENT AGREEMENT

AND WHEN RECORDED MAIL TO: )  
 )  
 County of Los Angeles )  
 Chief Administrative Office )  
 Real Estate Division )  
 222 South Hill Street )  
 3rd Floor )

Los Angeles, California 90012Space above for Recorder's Use

SUBORDINATION, NON-DISTURBANCE  
AND ATTORNMENT AGREEMENT

**NOTICE: THIS SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT RESULTS IN YOUR LEASEHOLD ESTATE BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF SOME OTHER OR LATER SECURITY INSTRUMENT.**

This Subordination, Non-Disturbance and Attornment Agreement ("Agreement") is entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_ by and among COUNTY OF LOS ANGELES, a body politic and corporate ("Tenant"), \_\_\_\_\_ ("Borrower") and \_\_\_\_\_, ("Lender").

Factual Background

A. Borrower owns certain real property more particularly described in the attached Exhibit A. The term "Property" herein means that real property together with all improvements (the "Improvements") located on it.

B. Lender has made or agreed to make a loan to Borrower. The Loan is or will be secured by a deed of trust or mortgage encumbering the Property (the "Deed of Trust").

C. Tenant and Borrower (as "Landlord") entered into a lease dated \_\_\_\_\_ (the "Lease") under which Borrower leased to Tenant a portion of the Improvements located within the Property and more particularly described in the Lease (the "Premises").

D. Tenant is willing to agree to subordinate certain of Tenant's rights under the Lease to the lien of the Deed of Trust and to attorn to Lender on the terms and conditions of this Agreement. Tenant is willing to agree to such subordination and attornment and other conditions, provided that Lender agrees to a Non-Disturbance provision, all as set forth more fully below.

## Agreement

Therefore, the parties agree as follows:

1. Subordination. The Lease shall be subject and subordinate to the lien of the Deed of Trust and to any renewals, modifications, consolidations, replacements and extensions of the Deed of Trust to the full extent of the principal sum secured by the Deed of Trust including any interest except that if Tenant is granted any option to extend the term of the Lease, right of first offer to lease additional premises, option to purchase the Property, or right of first option to purchase the Property in the Lease such provisions shall not be affected or diminished by this subordination which is conditioned upon the agreement of Borrower and Lender in section 3 hereof.

2. Definitions of "Transfer of the Property" and "Purchaser". As used herein, the term "Transfer of the Property" means any transfer of Borrower's interest in the Property by foreclosure, trustee's sale or other action or proceeding for the enforcement of the Deed of Trust or by deed in lieu thereof. The term "Purchaser", as used herein, means any transferee, including Lender, of the interest of Borrower as a result of any such Transfer of the Property and also includes any and all successors and assigns, including Lender, of such transferee.

3. Non-Disturbance. The Transfer of the Property or any enforcement of the Deed of Trust shall not terminate the Lease or disturb Tenant in the possession and use of the leasehold estate created thereby, or deprive Tenant of any other property rights granted in the Lease.

4. Attornment. Subject to Section 3 above, if any Transfer of the Property should occur, Tenant shall and hereby does attorn to Purchaser, including Lender if it should be the Purchaser, as the landlord under the Lease, and Tenant shall be bound to Purchaser under all of the terms, covenants and conditions of the Lease for the balance of the Lease term and any extensions or renewals of it which may then or later be in effect under any validly exercised extension or renewal option contained in the Lease, all with the same force and effect as if Purchaser had been the original landlord under the Lease. This attornment shall be effective and self-operative without the execution of any further instruments upon Purchaser's succeeding to the interest of the landlord under the Lease.

5. Lender Not Obligated. Lender, if it becomes the Purchaser or if it takes possession under the Deed of Trust, and any other Purchaser shall not (a) be liable for any damages or other relief attributable to any act or omission of any prior Landlord under the Lease including Borrower; or (b) be subject to any offset or defense not specifically provided for in the Lease which Tenant may have against any prior landlord under the Lease; or (c) be bound by any prepayment by Tenant of more than one month's installment of rent; or (d) be obligated for any security deposit not actually delivered to Purchaser; or (e) be bound by any modification or amendment of or to the Lease unless the amendment or modification shall have been approved in writing by the Lender.

6. Notices. All notices given under this Agreement shall be in writing and shall be given by personal delivery, overnight receipted courier or by registered or certified United States mail, postage prepaid, sent to the party at its address appearing below. Notices shall be effective upon receipt (or on the date when proper delivery is refused). Addresses for notices may be changed by any party by notice to all other parties in accordance with this Section.

To Lender:

\_\_\_\_\_  
\_\_\_\_\_

To Borrower:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

To Tenant:

County of Los Angeles  
Chief Administrative Office  
Real Estate Division  
222 South Hill Street, 3rd Floor  
Los Angeles, California 90012  
Attention: Director of Real Estate

7. Miscellaneous Provisions. This Agreement shall inure to the benefit of and be binding upon the parties and their respective successors and assigns. This Agreement is governed by the laws of the State of California without regard to the choice of law rules of that State.

8. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original but all of which together shall constitute but one and the same instrument.

TENANT: COUNTY OF LOS ANGELES,  
a body politic and corporate

APPROVED AS TO FORM

RAYMOND G. FORTNER, JR.  
County Counsel

By: \_\_\_\_\_  
Amy M. Caves  
Deputy County Counsel

By: \_\_\_\_\_  
William L. Dawson  
Deputy Director of Real Estate

BORROWER:

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

LENDER: *[Insert name of Lender]*,  
By: \_\_\_\_\_

EXHIBIT F

**REQUEST FOR NOTICE**

**RECORDING REQUESTED BY  
AND WHEN RECORDED MAIL TO:**

County of Los Angeles  
Chief Administrative Office  
Real Estate Division  
222 South Hill Street, 3rd Floor  
Los Angeles, California 90012  
Attention: Director of Real Estate

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**REQUEST FOR NOTICE**

**(UNDER SECTION 2924B CIVIL CODE)**

In accordance with Section 2924b, Civil Code, request is hereby made that a copy of any Notice of Default and a copy of any Notice of Sale under the Deed of Trust described below:

Date of Recording of Deed of Trust

Instrument Number of Deed of Trust

Trustor

Trustee

Beneficiary

be mailed to County of Los Angeles, Chief Administrative Office, Real Estate Division, 222 South Hill Street, 3rd Floor, Los Angeles, California 90012, Attention: Director of Real Estate.

LENDER:

\_\_\_\_\_,  
a \_\_\_\_\_

By: \_\_\_\_\_  
SIGNEE'S NAME

Its: SIGNEE'S TITLE

(ALL SIGNATURES MUST BE ACKNOWLEDGED)

COUNTY OF \_\_\_\_\_ ss.

On this \_\_\_\_ day of \_\_\_\_\_, 20\_\_, before me, \_\_\_\_\_  
\_\_\_\_\_ a Notary Public in and for the State of California, personally appeared \_\_\_\_\_  
\_\_\_\_\_ personally known to me (or proved on the  
basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the  
within instrument and acknowledged to me that he/she/they executed the same in  
his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the  
instrument the person(s), or the entity upon behalf of which the person(s) acted, executed  
the instrument.

WITNESS my hand and official seal

Signature \_\_\_\_\_

My commission expires \_\_\_\_\_.

**EXHIBIT G - MEMORANDUM OF REFURBISHMENT COSTS**

This Agreement is dated this \_\_\_\_ day of \_\_\_\_\_, 2006, for reference purposes only, by and between Landlord, DOOTSON PROPERTY MANAGEMENT, L.P. and Tenant, County of Los Angeles.

THE PARTIES HERETO HAVE ENTERED INTO A LEASE DATED \_\_\_\_\_ (the "Lease") for the leasing by Landlord to Tenant of the building located at 2620 South California Avenue, Monrovia ("the Premises"). Landlord and Tenant hereby confirm the following:

The final total cost of the refurbishment is \$\_\_\_\_\_.

Pursuant to the Lease, Tenant shall reimburse Landlord for the costs above \$25,000 via monthly reimbursement payments over 3 years at an amortization rate of 8.5%. Thus, the amount of \$\_\_\_\_\_ shall be reimbursed resulting in a monthly reimbursement payment of \$\_\_\_\_\_.

IN WITNESS WHEREOF, Landlord and Tenant have respectfully signed this Agreement.

Landlord:

\_\_\_\_\_

By \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Tenant:

COUNTY OF LOS ANGELES

By \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_